

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**

October 2, 2024

THE STATE OF TEXAS       §  
  §  
COUNTY OF TRAVIS       §

A meeting of the Board of Directors of Travis County Municipal Utility District No. 2 (the “*District*”) was held on October 2, 2024 at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas. The meeting was open to the public and notice was given in accordance with the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit “A”**.

John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel, called the meeting to order at 12:03 p.m. The roll was then called of the members of the Board:

Wilmer Roberts	-	President
Raymond C. Mura	-	Vice President
Tracy T. Johnson	-	Secretary
Daffney A. Henry	-	Assistant Secretary
Sarah Rossig	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present in person at the meeting were Dennis Hendrix of Crossroads Utility Services LLC (“*Crossroads*”), the District’s utility operator; Ken Schroeder of Schroeder Engineering Company, the District’s engineer; and John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel. Attending the meeting via telephone conference call were Lauren Smith of Public Finance Group LLC, the District’s financial advisor; and Allen Douthitt of Bott & Douthitt, PLLC, the District’s accountant.

Mr. Bartram announced that the Board would first receive public comment. There being no citizens’ communications or Board member announcements, Mr. Bartram stated that the Board would next consider approving the following items on the consent agenda: (i) the minutes of the September 4, 2024 Board meeting; and (ii) the Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality, System attached as **Exhibit “B”**, which passed through to the District’s retail rates the annual increases in wholesale water costs. Upon motion by Director Roberts and second by Director Rossig, the Board voted unanimously to approve the Consent Items, as presented. Director Roberts asked Mr. Hendrix to let the Board know if there was an abnormal number of complaints regarding the rate increase.

Mr. Bartram then stated that the Board would consider the Master District and Advisory Committee items on the agenda, beginning with wholesale water related matters. Mr. Hendrix first addressed wholesale water supply and reported that the elevated storage tanks were full, that water pressures were normal, and that EPCOR’s third well was still scheduled to be complete by November. He indicated that the Participant Districts appeared to have made it through the worst part of the hot season. Mr. Hendrix next updated the Board on the Master District’s pending wastewater treatment plant expansion/conversion project. He reported that the plant was running well and that the expansion project was “all but done”. He stated that the thickener (sludge holding basin) was now in service and that he was already starting to see a reduction in the number of sludge hauls. He stated that the last major component pending completion was the rapid mix basin, as well as various punch-list items. Mr. Bartram next reviewed the Master

District budget for the 2024-2025 fiscal year attached as **Exhibit “C”**, which he noted had been adopted by the Master District in September and was being presented in accordance with the Master District Contract. He then reviewed the Master District’s calculation of reserve requirements and reservation and allocation of capacity for the 2024-2025 fiscal year as reflected in the Calculation of Reserve Requirements FY 2024-2025 and the Manor Area Districts Calculation of Reserved and Allocated Water/Wastewater LUEs for FYE 9/30/2024 attached collectively as **Exhibit “D”**, as required under the Master District Contract and the Master District’s Resolution Adopting Policy Regarding Reservation and Allocation of Capacity in Master District Facilities. Mr. Douthitt described the Master District budget and allocations as “business as usual” except that, with the extra capacity now available in the wastewater treatment plant, Wilbarger Creek MUD No. 2 had been allocated a share of those expenses. Director Roberts asked when home construction would begin in Wilbarger Creek MUD No. 2. Mr. Hendrix stated that lot development was scheduled to commence by the end of this year and that home construction would likely not commence until “Q3” of next year. Director Rossig asked how the new development on and around the new HEB project factored into the Master District allocations. Mr. Bartram noted that the area in question, commonly referred to as the Butler tract, was not within any of the Participant Districts. Mr. Hendrix added that the Butler tract was served by the City of Manor. Mr. Bartram then concluded the Master District and Advisory Committee items by directing the Board’s attention to the agenda(s) and minutes from the most recent joint meeting(s) of the Board of Directors of Wilbarger Creek Municipal Utility District No. 2 and the Advisory Committee, which was a recurring agenda item so that the Board could stay informed of the activities of the Master District and Advisory Committee.

Mr. Bartram next announced that the Board would move to the Reports and Related Action Items section of the agenda. There being no developer representatives in attendance, Mr. Bartram next recognized Director Johnson for a report on website design and management. Director Johnson reported that he was still working on a separate “drop down” page with current and historical tax information by fiscal year.

Mr. Bartram then stated that the Board would receive a report from the District’s utility operator. Mr. Hendrix directed the Board’s attention to the most recent operations report attached as **Exhibit “E”** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that water loss remained elevated at -20.6% for the latest reporting period. He stated that, in coordination with Quiddity Engineering, the Master District’s special consulting engineer, Crossroads had been able to isolate usage between Wilbarger Creek MUD No. 1 and the District for further leak detection testing without affecting pressures but that the sub-master meter in Wilbarger Creek MUD No. 1 was not registering properly and that he would be presenting proposals for replacement of the meter to the Master District next Monday. Mr. Hendrix explained that locating the cause of the water loss was a process of elimination, but that installation of the AMI retail meters and additional master meters would help isolate the areas where water loss was occurring. He added that it was his fear that the water loss was being caused by numerous pinhole leaks in an aging ductile iron water system, the oldest portions of which were located in the District, but that a leak detection contractor would be engaged to determine for sure. Director Rossig asked when the leak detection work would occur. Mr. Hendrix anticipated that further leak detection work would not be scheduled until early next year after the faulty meter was replaced and he had at least one month of data. Director Johnson asked when the AMI meter replacement project would begin. Mr. Hendrix reported that the base station had already been installed and that replacement of the retail meters was in process in Cottonwood Creek MUD No. 1. He anticipated that Wilbarger Creek MUD No. 1 would come next and that the District would be last due to the number of different meter box lid varieties that would need to be replaced or retrofitted with antennae.

Mr. Hendrix next reported that all facilities were generally operating well; that discolored water calls had decreased; that he had no concerns regarding aged receivables; and that there was one write-off for consideration this month in the amount of \$180.85, which was a rental account. Upon motion by Director Johnson and second by Director Roberts, the Board voted unanimously to approve the recommended write-off. Mr. Hendrix asked if the Board wanted to consider write-offs on a monthly basis or if it preferred to authorize him to just handle write-offs administratively. Mr. Douthitt stated that the auditor would probably want to see Board action on write-offs. After discussion, Mr. Hendrix stated that he would continue to present write-offs to the Board on a monthly basis. Mr. Hendrix then concluded by referencing the notice from the Texas Commission on Environmental Quality (the “TCEQ”) attached as **Exhibit “F”** reminding the District that the lead service line inventory required by the lead and copper rule revisions was due to be filed with the TCEQ by October 16<sup>th</sup>. He verified that the District’s lead service line inventory had been completed and submitted and that a response was not expected anytime soon. Director Mura asked who was constructing the new wastewater treatment plant on Gregg Lane. Mr. Hendrix stated that it was a City of Pflugerville facility.

Mr. Bartram next recognized Mr. Douthitt for purposes of receiving a report from the District’s accountant. Mr. Douthitt directed the Board’s attention to the accounting report and updated cash activity report attached collectively as **Exhibit “G”** and recommended approval of all Director and vendor payments and fund transfers. At Mr. Douthitt’s request, Mr. Schroeder verified that he had reviewed and recommended approval of Crossroads’ latest operations invoice. Mr. Douthitt next reviewed the District’s latest cash activity report, investment report, collateral report, tax collection report, and financial statements, noting that over 98% of the District’s 2023 tax levy had been collected and that the District was ±\$125,000 “to the good” year to date. He pointed out that interest income had “ticked down”, that expenses were “pretty much on target”, and that there was a significant favorable variance for Master District charges. After discussion, upon motion by Director Henry and second by Director Mura, the Board voted unanimously to approve the Director and vendor payments and the transfers, as presented.

Mr. Bartram next recognized Ms. Smith for a report from the District’s financial advisor. Ms. Smith stated that she had nothing specific to address at this time.

Mr. Bartram then recognized Mr. Schroeder for a report from the District’s engineer. Mr. Schroeder directed the Board’s attention to the engineering report attached as **Exhibit “H”** and first reiterated that he had reviewed and recommended approval of Crossroads’ latest operations invoice. He next reported that there was no active development in the District at this time and that it was his understanding that Section 18, which was the final section to be developed in the District, was still pending approval by Travis County. Mr. Schroeder next addressed matters related to the Master District. He reviewed the latest wastewater treatment plant flow data, advised that there had been no discharge permit excursions or violations during the latest reporting period, and confirmed that Crossroads and Quiddity continued to coordinate on the wastewater treatment plant expansion project, which was nearing final completion. Mr. Schroeder then concluded by reporting that the City of Manor’s engineer had confirmed that the adjacent Butler tract would drain to the south and would not impact the District.

Mr. Bartram stated that the next item on the agenda was a report from the District’s attorney. He indicated that the outstanding consultant directives were in process. Mr. Schroeder stated that he had not received any additional backup for unreimbursed costs from Russ Allison and that, frankly, he did not expect any. Mr. Bartram stated that he would remove that item as a directive going forward.

Mr. Bartram next announced that the Board would move to the Other Discussion/Action Items section of the agenda and conclude by reviewing the future meeting schedule. He reminded

everyone that the Board typically started off each new fiscal year with a meeting in October and then transitioned to an every-other-month meeting schedule thereafter. After discussion, the Board agreed that, unless there was a need to meet next month, the November meeting would be canceled and that the December meeting would be held as scheduled on December 4<sup>th</sup>, but starting at 11:00 a.m. in order to accommodate a traditional holiday appreciation lunch after the meeting.

There being no further business to come before the Board, upon motion by Director Roberts and second by Director Johnson, the meeting was adjourned at 12:40 p.m.

*(Signature page follows.)*

(SEAL)



**TRAVIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 2**

  
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Tracy T. Johnson, Secretary  
Board of Directors

Date: December 4, 2024